

# Rivard Inquiry

Hattam, Mark <MHattam@sdewa.org>

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To: Ry Rivard <Ry.Rivard@voiceofsandiego.org>;

Cc: Thompson, Frances <FThompson@sdewa.org>;

Ry, as I promised, here is the cost summary re Brownstein/Hatch&Parent work. There was no record of any payments to Scott Slater or Chris Frahm directly (other than director expenses for when Chris Frahm was on our Board). The total amount we show paid to Brownstein and Hatch & Parent collectively from March 1997 through the present is \$25,599,511.11. That is an average of about \$1,219,024 per year over 21+ years. Those firms diligently, and successfully, represented the Water Authority in a host of critical matters, including but not limited to:

- Evaluation of MWD's development and adoption of a wheeling rate.
- Litigation opposing MWD's attempt to validate the adoption of a postage stamp "wheeling rate" in trial and on appeal. After remand, MWD ultimately dropped its attempt to validate its wheeling rate.
- Successfully negotiated the terms of the SDCWA Water Transfer Agreement with IID.
- Preparation of the Environmental Impact Report for the Water Transfer.
- Supporting the Water Authority and special trial counsel in litigation with MWD in various internal (Water Authority staff and board processes) and external forums including MWD and California state courts, over the legality of MWD's rates, MWD's refusal to properly account for revenues paid to MWD including its under-calculation of the Water Authority's preferential rights, MWD's imposition of illegal RSI contracts, and numerous other MWD issues. Among other outcomes, MWD's Water Stewardship Rate on Exchange Agreement water has been declared illegal (resulting in hundreds of millions of dollars in savings over the life of the wheeling agreement), MWD's RSI clause has been declared void and unconstitutional (remedies still pending on remand) and the Water Authority has been awarded an additional approximately 100,000 acre-feet of preferential rights entitlement to MWD water (two times the capacity of the Carlsbad seawater desalination project).
- Successfully negotiating, through direct negotiation and three mediation processes, the 1998 Exchange Agreement and complementary State legislation that established a fixed schedule Exchange Rate for 30 years and provided \$235 million for the lining of the All-American Canal and groundwater storage.
- Successfully petitioning the State Water Resources Control Board for approval of the SDCWA Water Transfer Agreement over two months of hearings and securing SWRCB approval of the full amount of requested the requested transfer.
- Renegotiation of the Water Transfer Agreement to account for the reduction of 800,000 acre feet of water required to off-set impacts to the Salton Sea.
- Successful negotiation of the Quantification Settlement Agreement and related contracts (about 36 in total), including a renegotiation of the Water Transfer Agreement and the 1998 Exchange Agreement to conform with Salton Sea mitigation requirements and other issues. Agreements included the first direct contractual relationship between SDCWA and the United States Department of Interior, providing for the delivery of the Water Transfer and Canal Lining water (277,700 acre-feet), implementing the largest agriculture to urban water transfer in US history (Colorado River Water Delivery Agreement).
- Successful defense of the entire QSA over a 10-year period against state and federal court challenges at two multi-party trials and appeals, including the SWRCB Order and canal lining.
- Supporting the Water Authority and its legislative advocates in representation in legislative sessions and work groups to redraft the Katz Wheeling Bill, Water Code Section 1810 et seq.
- Supporting the Water Authority staff and legislative advocates in Seven Basin States meetings regarding

operations and apportionments of the Colorado River and in numerous other state and federal legislative and regulatory matters.

- Negotiation of amendments to the IID/SDCWA Water Transfer Agreement to resolve contributions to avoid socio-economic impacts to Imperial County and to fix the escalation in water costs under the Water Transfer Agreement, successfully avoiding litigation of such issues.
- Supporting the Water Authority and its special trial counsel in attempts to allow the public to have access to MWD's rate model to see how its rates and charges are set.
- Negotiating and effectuating resolution of Salton Sea mitigation issues with the SWRCB and other agencies on the mitigation of deliveries to the Salton Sea entered Phase II.
- Supporting the Water Authority in the evaluation and planning for a myriad of water law and other legal issues impacting or potentially impacting the reliability and cost of the Water Authority's regional water supply including MWD, IID, Colorado River and other third parties.

Because I am on vacation, I cannot address any other inquiries until I am back after July 9. If you have any questions on particular matters you may want to contact Scott Slater or Chris Frahm. Thank you.

Mark J. Hattam  
General Counsel  
San Diego County Water Authority  
4677 Overland Avenue  
San Diego, CA 92123

